

# City Prevailing Wage Fact Sheet

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1. The City's Prevailing Wage ordinance<sup>1</sup> applies to City construction projects greater than or equal to \$50,000 where the City directly contracts with a general contractor for public improvements. The ordinance does not cover development projects where the City enters into a development agreement.
2. All applicable invitations (bids, RFPs, or best value solicitations) and contracts will incorporate federal labor standards and prevailing wage provisions and all contractors and subcontractors must comply with these.
3. All employees working on projects subject to this ordinance are intended third party beneficiaries to the City's contract with the general contractor.
4. General contractors must pass the pre-award compliance review or the bid will be rejected. This includes submitting a pre-construction booklet consisting of contractor profile forms for each subcontractor and supplier on the project.
5. A general contractor is responsible for its and its subcontractors' submissions of bi-weekly<sup>2</sup> Certified Payroll Reports (CPRs) in LCPtracker.
6. Contractors must pay employees every two weeks. Failure to comply will result in withholding of payment to general contractor.
7. All employees must be paid no less than one and half the base rate of pay plus fringes for all hours worked over 40 in a week. All hours worked in a week after 40 hours must be paid overtime with no exceptions.
8. The Prime Contractor must post the project's prevailing wage decision, additional wage classifications, and the City's non-discrimination poster in a safe, visible location on the project construction site.
9. Business owners/operators working with their crew must report themselves on CPRs along with their crew. An owner/operator working with a crew need only indicate her hours worked and trade classification for herself on the CPR. However, a business owner/ operator working alone cannot submit CPRs for herself. She must be included on the weekly CPRs of the prime or subcontractor for whom she is working.
10. During the course of the project the Department of Civil Rights will conduct job site visits to test the accuracy of the information submitted by contractors and to interview the contractor's employees.
11. Approved apprentices can be paid less than the prevailing wage for their classifications, but must be paid according to their programs' pay /benefits scales. An apprentice must have an approved agreement, a pay/benefit scale, and an operating ratio. Apprentices without any or all of these documents, and/or operating outside an approved ratio, are entitled to the prevailing wage for their classifications regardless of skill level. Contractors must indicate each apprentice's progress percent or skill level in LCPtracker.
12. To prevent misclassification of workers as independent contractors or subcontractors, all contractors must be able to prove such status. The Minneapolis Department of Civil Rights may require contractors to produce bona fide proof of independent contractor status.
13. During the course of and upon completion of the contract work, the department of Civil Rights will have the right to require an appropriate audit of the contractor's books and records to determine compliance or noncompliance. General contractors and prime contractors must retain relevant payroll records for at least **one year** from the date of project completion.
14. Failure to pay prevailing wage shall result in non-compliance, which may include suspension or debarment. Due Process will be given to contractors prior to the non-compliance decision.

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<sup>1</sup> Minneapolis Code of Ordinances, Title 2, Chapter 24.

<sup>2</sup> For projects where the Davis Bacon and Related Acts apply, contractors must pay employees and certify payrolls on a weekly basis.